

SAPC-24610
Copy 2 of 6

21 February 1958

MEMORANDUM FOR RECORD

SUBJECT: Trip Report to Los Angeles and Edwards Air Force Base -

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1. On 5 February [redacted] Office of General Counsel, and the undersigned proceeded by comair to Los Angeles. [redacted] was to serve as a tax advisor in discussions with certain Lockheed representatives and with the contract pilots at Edwards Air Force Base on the subject of California and Federal income taxes.

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2. On the morning of 6 February [redacted] and I met with [redacted] of Lockheed. Our discussion dealt with the problem of how the contract pilots would report their income when filing California state income tax returns. [redacted] of the Lockheed Tax Department, was called in toward the latter part of the discussion for purely technical advice on the California tax set-up, and [redacted] and the undersigned were introduced to him as Air Force civilian employees. Our discussion with these Lockheed representatives was highly successful. It was agreed that at the end of the calendar year Lockheed would submit to the state of California a report showing that Lockheed had paid to those contract pilots at Edwards during the course of the year any amount which the Project requested them to report. This amount will, of course, be the true figure which the Project has paid the pilots during the year and that amount for which they are actually liable for the California tax. [redacted] advised us that we could, in fact, submit the names to him on the necessary form (Form 599) in a sealed envelope, and he would forward such forms directly to the State without personal knowledge as to what names and amounts were being reported.

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3. At the conclusion of this meeting [redacted] pursued other business which he had at the Los Angeles contact office, and the undersigned spent the balance of the afternoon with [redacted] discussing Lockheed personnel problems. As a result of phone calls to and from Headquarters on Thursday, [redacted] and I proceeded to Edwards Friday morning to discuss personally with [redacted] certain staffing problems which he was encountering at Edwards. [redacted] and the undersigned returned to Los Angeles late Friday afternoon.

4. [redacted] arrived in Los Angeles by train Sunday evening, and he, [redacted] and the undersigned proceeded to Edwards Monday morning by rented automobile. Individual discussions between [redacted]

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and [REDACTED] and each pilot on the subject of state and Federal taxes were accomplished Monday and Tuesday. It was brought to the attention of the pilots that by virtue of their residence in California, they are liable for the California state income tax. They were further advised that arrangements had been made with Lockheed whereby they would report that company as their employer on their California return. The news of their liability for the California tax was met with some cries of anguish and disappointment but was generally accepted without too much ado. As it turned out, only one of the pilots, [REDACTED] was liable for any California tax for the calendar year 1957 and his liability was very slight.

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5. Late Tuesday afternoon, after tax discussions had been completed, [REDACTED] met with Messrs [REDACTED]

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and the undersigned in a general round-table discussion. The primary points of discussion were as follows:

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a. The unmarried pilots, specifically [REDACTED]

[REDACTED] expressed a feeling that the \$250 monthly allowance for quarters and meals as provided in their contracts was not adequate. They reported that they were not consulted on this matter when the \$250 figure was forwarded to Headquarters from Edwards. Each of them was on Christmas leave at the time. Their feeling that this figure is unrealistic stems mainly from the fact that because of limited and undesirable eating facilities available to them on the Base, they are required to drive some 60 miles round trip to and from Lancaster for evening meals several days a week. The cost of these meals in the Lancaster restaurants is considerably more than would normally be experienced on a military reservation and, in addition to the direct meal cost, the amount of money expended for transportation is considerable. Considering the tax bracket in which the single pilots fall, they actually net something like a \$170 from the \$250 living allowance. Admittedly, there is the argument that this situation is the price of success, i.e., finding oneself in a higher tax bracket, but their argument is not without merit when it is remembered that their original contract with the Agency provided for a certain salary figure in addition to which there was a guarantee that quarters and meals would be furnished the individual for the duration of the contract at no cost to the individual. [REDACTED] and [REDACTED] feel that \$300 a month is a more equitable and realistic quarters and meal allowance.

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b. It is a general feeling among the pilots that they are not being allowed the opportunity to utilize the latest personal equipment which is available. They understand that the pilots at Del Rio are using a new type of helmet referred to as a Bill Jack helmet. Whether or not this helmet is superior to any which they now use is unknown, however, they would like to have the opportunity to run some tests with the helmet in order to find out just how good it is. The contract pilots are preparing a paper in which they are

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recommending certain changes or modifications in the oxygen system presently used in the U-2. They advised me that they have discussed their proposal with, among others, [REDACTED] Mr. Kelly Johnson and (I believe) a [REDACTED] who had much to do with the design of the airplane and many of its component parts. All these individuals have agreed that their proposal is both sound and desirable. The pilots feel very strongly that they sadly lack a close tie with Headquarters on such matters. I reminded them that now that [REDACTED] has been assigned to Headquarters, he could and should serve as this point of contact between them and Headquarters in matters of a personal-equipment nature.

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c. The pilots also feel they have not been supported adequately in the field of supply. They offer as an example the fact that they have been unable to obtain through supply channels such minor items as Weems, Plotters and E6B computers. According to them there is only one of the latter items available in the Detachment. It seems to be even more important that they have such items issued to them now that they are responsible for their own flight planning on their local area flights. Continuing their discussion of the supply situation, [REDACTED] expressed concern that they had not yet received their second pressure suits which were shipped in November from Detachment A. They realize that if the one remaining suit which they are using becomes torn or otherwise damaged, they are out of business until it can be repaired or until another suit can be obtained.

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d. The inevitable question on the use of the T-33's for cross-country flying was raised again. The pilots do not deny that the ultimate destination on week-end, cross-country trips is usually determined by personal desires. However, they point out, and very seriously, too, that they have little or no opportunity in their present flying at Edwards to get instrument time, strange-field landing experience and extensive cross-country navigation experience. They firmly believe that as a result of their somewhat routine flying at Edwards they are steadily losing proficiency which they personally wish to maintain and which they feel the Project should be interested in their maintaining. With the acquisition of an L-27, in addition to the two T-33's which the Detachment now has, the pilots feel there is more than an adequate number of aircraft which should be made available for proficiency flying in the form of cross-country flights. They appreciate the necessity for keeping one of the T-33's always available at Edwards for emergency purposes, but they fail to understand why they are denied the use of these aircraft for cross-country flying while certain non-detachment Base personnel have access to them. If this cross-country question has

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been definitely decided one way or the other, the pilots have not been informed. They are of the opinion that it is still hanging fire, and they are quite naturally impatient for such a decision.

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6. [REDACTED] and the undersigned returned to Los Angeles on Wednesday, the 12th, and [REDACTED] proceeded to Headquarters by train on that afternoon. [REDACTED] and the undersigned returned by commercial air that evening.

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[REDACTED]

Distribution

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